

MINUTES OF MEETING
NORTH SPRINGS IMPROVEMENT DISTRICT

The regular meeting of the Board of Supervisors of the North Springs Improvement District was held Wednesday, September 5, 2012 at 5:00 p.m. in the district office, 9700 N.W. 52nd Street, Coral Springs, Florida.

Present and constituting a quorum were:

David Gray	President
Vincent Morretti	Secretary
Vandin Calitu	Assistant Secretary

Also present were:

Doug Hyche	District Manager
Michael Pawelczyk	District Counsel
Rod Colon	Director of Operations
Brenda Schurz	District Clerk
Nick Schooley	Drainage Supervisor
Donna Holiday	GMS-South Florida, LLC
James Weiss	Resident
Lisa Torres	Resident
Dean Belken	Resident
David Graff	Resident

FIRST ORDER OF BUSINESS

Roll Call

Mr. Hyche called the meeting to order at 5:00 p.m.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the August 1, 2012 Meeting

Mr. Hyche stated the next item is approval of the August 1, 2012 meeting minutes.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the minutes of the August 1, 2012 meeting were approved as presented.
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THIRD ORDER OF BUSINESS

Public Hearing to Adopt the Fiscal Year 2013 Water and Sewer Budget

Mr. Hyche stated the next item is a public hearing to adopt the fiscal year 2013 water and sewer budget. I would entertain a motion to open the public hearing.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the public hearing was opened.

Mr. Hyche stated the public hearing is open. Are there are comments, questions or discussion from the audience with regard to the water and sewer budget?

Not hearing any, I would entertain a motion to close the public hearing.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the public hearing was closed.

Consideration of Resolution 2012-16 Adopting the Water and Sewer Budget for Fiscal Year 2013

Mr. Hyche stated I would entertain a motion to approve Resolution 2012-16 adopting the water and sewer budget for fiscal year 2013.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor Resolution 2012-16 was approved.

FOURTH ORDER OF BUSINESS

Staff Reports

A. Manager

Consideration of Proposals for County Line Road 12" and 10" Force Main Project

Mr. Hyche stated the next item is consideration of proposals for County Line Road 12" and 10" force main. You have proposals from three qualified bidders and staff is recommending the lowest qualified bidder.

Mr. Gray stated we use Lanzo quite a bit so we are familiar with them.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the contract for County Line Road 12" and 10" force main project was awarded to Lanzo Construction in the amount of their low bid of \$297,000.

Mr. Colon stated the award of contract should be contingent upon execution of developer funding agreements with Lennar Corp. and Standard Pacific. Essentially the developers are going to be paying for this project and if the developer agreements are not executed then we wouldn't be signing a contract with Lanzo Construction.

Mr. Gray amended the motion to make award of the contract contingent upon execution of developer funding agreements with Lennar Corp. and Standard Pacific to fund the project and Mr. Morretti seconded the amendment and on voice vote with all in favor the amended motion passed.

Consideration of Proposals for Heron Bay Wetland Remediation/Mitigation

Mr. Hyche stated the next item is consideration of proposals for Heron Bay wetland remediation/mitigation. In a separate handout there are three proposals.

Mr. Colon stated as part of the permit we have with Broward County we have a separate company that monitors the mitigation area for Heron Bay Mitigation Fund and the contractor who does the monitoring said there are some deficiencies that have gone on throughout the years and this project is to bring the mitigation area up to par so it is in compliance with Broward County code.

Mr. Gray asked is this part of what we have in the package?

Mr. Colon responded what you have in the package is the bid specifications and in a separate handout are the responses to the bid.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor World Landscaping was awarded the contract to provide Heron Bay wetland remediation/mitigation services in the amount of their low bid.

Consideration of Engagement Letter with Genovese Joblove & Battista for NSID/Broward County Litigation

Mr. Hyche stated the next item is consideration of engagement letter with Genovese, Joblove & Battista for NSID/Broward County litigation. We spoke to each board member separately and you are aware of the issue.

Mr. Pawelczyk stated I did speak with Dennis Lyles regarding this matter and I also spoke with Sue Delegal, of our office who has been working with the county and at the last meeting Dennis represented that this proposal letter would be coming forward from special counsel. I believe special counsel was brought to this board by the district manager's office and the last thing we were discussing with the county administrator was the cost breakdown with respect to it would cost more for the county to provide the service for the Wedge property. I think we are still waiting on those numbers so we haven't provided that information to the county yet.

Mr. Hyche stated we have not yet received them from CH2M Hill.

Mr. Pawelczyk stated in the meantime we think it is appropriate to move forward and appoint special counsel at this time. I know Dennis mentioned at the last meeting that there are pre-suit requirements before you bring litigation against another governmental entity pursuant to Chapter 164, which I would imagine special counsel has been informed of and is well aware of so that would be the first step before any lawsuit is filed anyway. A motion accepting the engagement letter with Genovese, Joblove & Battista would be in order.

Mr. Gray asked what is the current stage of our plant, plans, permits, etc.?

Mr. Colon responded as you know we spent about \$2.6 million to acquire the property. Before we did that back in October 2010 we had confirmation from the county that it did not fall in their jurisdictional area. Historically, in the Large User Agreement that we have been in for 20 years every time there was an addition to their jurisdictional area we did an amendment to include that in the Large User Agreement. We did not include the Wedge in their jurisdictional boundaries so for at least a year and a half we moved forward by purchasing the land at \$2.6 million and approved a work authorization with CH2M Hill for \$1 million to start preliminary design of the facility. We also moved forward with an RFQ to hire an engineering consultant to work on the site plan, the plat and rezoning and that was executed and all three have been approved by Broward County.

We didn't hear anything until a year or so later that the county is interested in serving the Wedge and they are stating it is because of the Large User Agreement that they have an entitlement to do so. We said that we firmly disagree, we did our due diligence and went out and spent taxpayer money before we bought the property, hired both engineering firms to start preliminary work and have already spent in excess of \$3.6 million.

Mr. Gray asked at what stage are the plans in now?

Mr. Colon responded they are at 40% design.

Mr. Gray stated the cost to us if there were an issue would be redesign. It wouldn't affect the zoning but we haven't gone in for permitting or anything so we are just in the design stage.

Mr. Colon stated we haven't gone for permitting but the plat, the site plan and zoning have already been approved. The bigger issue is the county has to get rid of 26 million gallons of wastewater a day for the ocean outfall. They are looking for areas to run reuse lines. This is one of the reasons the developers, Standard Pacific and Lennar both hired lobbyists to go to Broward County pleading the case that they don't want the county to serve the area they want NSID because it would be cheaper. The wastewater plant is initially going to be paid for by the developers and landowners in the Wedge. If the county gets their way based on correspondence that I have from their Director of Public Works they want to bust up all the lines from their county 2A facility and run reuse lines all the way to the Wedge. We would be sending them wastewater so they could send it right back to us, which makes no sense and is not feasible to the taxpayer. We have more than enough information and correspondence from the county in the beginning that basically supports our claim that it isn't in their area. It is the reason we have to hire special counsel. We have already spent taxpayer money and we want to serve the Wedge because we think we can do it better and cheaper.

The motion would be to approve the engagement letter for the law firm and to enter into litigation against Broward County.

Mr. Gray asked it is twofold, one is to hire them as attorneys and the second part is to enter into litigation?

Mr. Colon stated to enter into litigation proceedings with the county, correct.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the engagement letter with Genovese Joblove & Battista to serve as special counsel in litigation proceedings with the county was approved.

Audience Comments

Mr. Weiss stated I thought I heard two years ago that the Wedge was going to be included in the district and I thought the state approved that. Where does Broward County come in?

Mr. Colon responded there is an agreement in place with Broward County just for wastewater services. This is why NSID doesn't have a wastewater plant. The agreement states that we have to send all of our wastewater to Broward County, however, we believe the agreement is based on the geographic areas stipulated in that agreement. Everyone knows we are going to serve the Wedge with potable water and provide stormwater services and we are going to be the utility provider for the Wedge. We are also going to do wastewater collection because NSID owns the wastewater collection system for the entire district. The one thing we were going to do separate in the Wedge was we were going to build a separate wastewater facility and have reuse to recycle the water for the homeowners in the Wedge. That is something that the county is saying because it is going to generate wastewater they want the wastewater to sell it back to us. It is a contract issue for a 20 year old contract that is still in effect. This area was in Palm Beach County at one time and Broward County annexed it into their jurisdictional boundaries and we did a separate House Bill to annex the Wedge area into our jurisdictional boundaries. As of right now we are going to be doing the wastewater collection and water and stormwater services for the Wedge. The agreement all along was that NSID was going to serve the Wedge by building a wastewater plant, which the developers were going to pay for so that our existing customers didn't have to pay for that.

Mr. Weiss stated thank you and thank you for taking questions from the audience.

Consideration of Fiscal Year 2013 Meeting Schedule

Mr. Hyche stated the next item is consideration of the fiscal year 2013 meeting schedule.

Mr. Gray stated the July 3rd meeting is right before the holiday and a lot of people take that time off. I would like to move that meeting to a week later to July 10, 2012.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the fiscal year 2013 meeting schedule was approved as amended moving the July 3rd meeting to July 10, 2012.

B. Attorney

There not being any, the next item followed.

C. Engineer

Mr. Hyche stated Jane is not here today and the project status is in the package.

FIFTH ORDER OF BUSINESS

Approval of Financials and Check Registers

Mr. Hyche stated the next item is approval of financials and check registers.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the financials and check registers were approved.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the meeting adjourned at 5:17 p.m.



Vincent Morretti
Secretary



David Gray
President